



PROPOSED SENATE 2015-17 OPERATING BUDGET OVERVIEW

SENATE CHAIR

**SENATE WAYS & MEANS COMMITTEE
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2015-17 OMNIBUS BUDGET OVERVIEW

The proposed Senate budget for the 2015-17 biennium spends a total of \$38 billion Near General-State and Opportunity Pathways and represents a \$4.1 billion increase from current spending levels in the 2013-15 biennium. This is the net impact after making both policy level additions and achieving savings from current law requirements. The spending plan leaves an unrestricted balance of \$487 million at the end of the 2015-17 biennium and meets the four year balanced budget requirements.

Many of the Senate budget policy level enhancements or increases are in education. These include: (1) \$1.3 billion in K-12 education for K-3 class size reduction, all-day kindergarten, and fully funding the maintenance, supplies, and operating cost components of Substitute House Bill 2776 (Chapter 236, Laws of 2010); (2) approximately \$300 million in net policy level enhancements in state funding for higher education; and (3) over \$95 million for expanded preschool and funding for the Early Start Act.

Some of the larger non-education spending increases include: (1) \$115 million for homecare worker increases and agency parity based assuming a revised collective bargaining agreement; (2) \$113 million for general government compensation increases; (3) \$90 million for mental health related programs; and (4) \$36 million for the adult family home and child care collective bargaining agreements.

Major savings or spending constraints include: (1) \$190 million by continuing and maximizing the Hospital Safety net funding mechanism to offset state costs; (2) \$49 million from additional LEAN management efforts associated with Substitute Senate Bill 5737; (3) \$53 million from reducing state employee health care spousal coverage and lowering the retiree subsidy payment; and (4) \$50 million in lower mental health funding based on assuming savings from the federal waiver, use of regional support networks (RSN) reserves, and shifting to a lower bound of RSN rate ranges.

2015-17 RESOURCE CHANGES

The Senate budget makes a variety of transfers and redirections to maximize operating budget resources. One of the largest is associated with Senate Bill 6062 (marijuana regulation) which redirects the distribution of the marijuana excise tax primarily to the Education Legacy Account. Combined with the impacts of Substitute Senate Bill 5052 (Cannabis Protection Act), this increases state operating budget resources by \$325 million in the 2015-17 biennium and more in subsequent biennia. From these distributions, local governments will receive \$12 million per biennium.

The Senate budget also makes \$381 million in transfers. Some of the largest transfers include: (1) \$200 million from the Public Work Assistance Account associated with loan repayments and fund balance; (2) \$67 million from the Life Science Discovery Fund and related distributions; (3) \$29 million from redirecting health premium resources back to the general fund from the Health Benefit Exchange; (4) \$24 million from maintaining liquor excise tax distributions to local governments at current levels; and (5) \$20 million from the Treasurer's Service Account.

The Senate budget also assumes a variety of legislation increasing and decreasing state resources. See appendix A for a complete listing of these changes.

Senate Chair Proposal Balance Sheet
(Near GF-S & Opp Pathways in Millions)

	<u>2013-15</u>	<u>2015-17</u>
Beginning Balance	156	861
Revenue Forecast		
November 2014 Revenue Forecast	34,067	36,985
February 2015 Forecast Change	134	140
Revenue Forecast	34,201	37,124
Other Resource Changes		
Transfers To The Budget Stabilization Account	(317)	(366)
Other Previously Enacted Fund Transfers	428	-
Other Adjustments (Prior Period Adjustments & CAFR)	13	41
Other Resource Changes	124	(326)
2015 Session Changes		
Fund Transfers	6	375
SB 6062 Marijuana Regulation	29	296
Revenue Legislation (Decreases)	-	(114)
Revenue Legislation (Increases)	-	38
Budget Driven Revenue & Other Changes	(2)	42
2015 Session Changes	33	637
Total Resources	34,515	38,297
Spending		
2013-15 Enacted Budget/2015-17 Maintenance Level	33,794	39,130
2015 Supplemental Budget	9	-
2015-17 Policy Level Changes (Net)	-	(1,179)
Actual/Projected Reversions	(150)	(140)
Total Spending	33,654	37,810
Ending Balance and Reserves		
Unrestricted Ending Fund Balance	861	487
Budget Stabilization Account Balance	511	891
Total Reserves	1,372	1,378

K-12 PUBLIC SCHOOLS

INCREASES AND OTHER CHANGES

FULL FUNDING OF MATERIALS, SUPPLIES AND OPERATING COSTS (MSOC) - \$741.5 MILLION NEAR GENERAL FUND - STATE

In maintenance level, the budget allocates funding to schools for operating costs through a per-student formula for materials, supplies, and operating costs (MSOC). Pursuant to Substitute House Bill 2776 (Chapter 236, Laws of 2010), state allocations for MSOC are fully funded at \$1,210 per student in school year 2015-16 and \$1,231 per student in school year 2016-17.

KINDERGARTEN THROUGH THIRD GRADE CLASS SIZE REDUCTION- \$350.1 MILLION NEAR GENERAL FUND-STATE

Funding for kindergarten through third grade (K-3) class size reduction to 17 students is expanded to reduce class size for the cohort of students who have already received the benefit of state-funded class size reduction, with first priority to those elementary schools with the highest percentage of students eligible for the federal Free and Reduced-Price Lunch program. Funding is provided to fully implement a class size of 17 for K-1 students in high poverty schools in the 2016-17 school year. The four year outlook assumes statewide implementation of K-3 class size of 17 in the 2017-18 school year.

FULL-DAY KINDERGARTEN- \$187.7 MILLION NEAR GENERAL FUND - STATE

Funding for all-day kindergarten is expanded from the current 44 percent of kindergarten enrollment to 75 percent in the 2015-16 school year, with first priority to those elementary schools with the highest percentage of students eligible for the federal Free and Reduced-Price Lunch program. Funding is provided to fully implement all-day kindergarten for all of the state's students in the 2016-17 school year.

HIGHLY CAPABLE PROGRAM - \$15.9 MILLION NEAR GENERAL FUND - STATE

Basic-education funding for the Highly Capable Program is enhanced to allocate state funding to three percent (an increase from the current 2.3 percent) of each school district's population and for three hours of weekly instruction (an increase from the current 2.2 hours).

ADDITIONAL K-12 ENHANCEMENTS - \$14.1 MILLION NEAR GENERAL FUND - STATE

Additional funding is provided for a variety of other K-12 enhancements including: (1) support for the state's persistently lowest-achieving schools (\$3.2 million); (2) implementation of the Washington Kindergarten Inventory of Developing Skills (\$2.9 million); (3) expanding computer science education (\$2.2 million); (4) creating three regional school safety and security centers (\$1.7 million); (5) continued implementation of a paraeducator certification and training process (\$1.7 million); (6) increased funding support for FIRST robotics programs (\$1.2 million); and (7) other enhancements to public schools (\$2.3 million).

SAVINGS OR DECREASES

INITIATIVE 1351 - \$2.0 BILLION NEAR GENERAL FUND - STATE SAVINGS

Initiative 1351 (I-1351) amended the state's funding requirements for class size and staffing formulas, with a phase-in schedule estimated at \$2 billion for the 2015-17 biennium and full implementation effective September 1, 2018. The increased funding necessary to support I-1351 (\$2 billion) is reflected at maintenance level.

The Legislature has the authority to set the program of basic education and intends to continue making changes to the program in those areas where emerging research and evidence demonstrate better and more efficient strategies are available to assist student success. This separate legislation amends the definition of basic education to include specific enhancements to the program of basic education that are only provided in the omnibus appropriations act, which include increases for middle and high school guidance counselors; increases for elementary parent involvement coordinators; increases to the categorical programs for learning assistance, transitional bilingual instruction and highly capable. The class size and staffing provisions of I-1351 scheduled to go into effect on September 1, 2018, are also amended. This act is referred to the voters for their approval or rejection.

STAFF MIX ADJUSTMENT FOR NEWLY HIRED TEACHERS - \$38.0 MILLION NEAR GENERAL FUND-STATE SAVINGS

Funding allocations for certificated instructional staff are adjusted to reflect an increase in the estimated number of new teachers that will be hired to support smaller class sizes in grades kindergarten through three and state-funded all-day kindergarten.

LOCAL EFFORT ASSISTANCE - \$20.3 MILLION NEAR GENERAL FUND-STATE SAVINGS

School districts receiving enhanced MSOC funding above the rate provided in school year 2014-15 must reduce their levy base by the same amount in calendar years 2016 and 2017. Local voter approved general fund school levies are 28 percent of the levy base. This may result in lower local levy collections in some school districts. A reduction to school districts' levy bases lowers the maximum levy authority of school districts and the state funded equalization of this authority; thereby, creating savings to Local Effort Assistance program. A school district may continue to receive the school year 2014-15 MSOC rate so that the school district's levy base is not reduced.

HIGHER EDUCATION

OVERVIEW & TUITION CHANGES

For the 2015-17 biennium, a total of \$3.5 billion in state funds is appropriated in support of the higher education system; \$2.8 billion (81 percent) of which is appropriated to the public colleges and universities. Compared to the 2013-15 biennium, this represents a 20 percent increase in state funds to institutions of higher education and an almost 14 percent to the higher education system overall.

The 2013-15 legislature froze resident undergraduate tuition for the biennium. For the 2015-17 biennium, the passage of Engrossed Substitute Senate Bill 5954 (College Affordability Program) combined with the budget, the resident undergraduate tuition operating fee is reduced to a percentage of the state average wage (see table below). The budget provides a net total of \$146 million with \$221 million for the institutions and \$75 million in offsetting reductions to financial aid programs as a result of tuition reductions.

Institution	Current Operating Fee	Proposed FY 2016 Operating Fee	FY 2016 Percent Change from Current	Proposed FY 2017 Operating Fee	FY 2017 Percent Change from Current
UW	\$10,740	\$9,474	-12%	\$7,560	-30%
WSU	\$10,336	\$9,474	-8%	\$7,560	-27%
CWU	\$6,954	\$6,316	-9%	\$5,400	-22%
EWU	\$6,491	\$6,316	-3%	\$5,400	-17%
TESC	\$6,968	\$6,316	-9%	\$5,400	-23%
WWU	\$7,209	\$6,316	-12%	\$5,400	-25%

* The SBCTC will have tuition frozen in FY 2016 and can be no more than 6% of the average state wage in FY 2017

INCREASES

HIGHER EDUCATION COMPENSATION - \$114 MILLION NEAR GENERAL FUND-STATE

Each institution is provided with a \$1,000 increase in salary each fiscal year for full-time employees and proportionately less for less than half-time employees. The institutions may allocate increases under a different methodology. For I-732 employees, the cost of living adjustment is provided in lieu of the \$1,000 per fiscal year.

OPPORTUNITY SCHOLARSHIP - \$22 MILLION NEAR GENERAL FUND-STATE

Additional funding is provided to expand the scholarships available and to match private contributions.

SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) - \$20 MILLION NEAR GENERAL FUND-STATE

Funding is provided to increase the number of bachelor's degrees awarded for science, technology, engineering, and mathematics programs of study.

HEALTH PROFESSIONAL LOAN PROGRAM - \$9.4 MILLION TOTAL FUNDS

Funding is provided to increase the number of licensed primary care health professionals to serve in licensed primary care health professional critical shortage areas.

WSU MEDICAL SCHOOL DEVELOPMENT - \$2.5 MILLION NEAR GENERAL FUND-STATE

Funding is provided to support the development of the curriculum, the courses, the faculty, and the administrative structure required by the Liaison Committee on Medical Education (LCME), the body responsible for accrediting medical schools in the U.S. and Canada to start a medical school.

In addition, WSU shall offer to the University of Washington continuation of the services and operations of the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) medical school under the same conditions and limitations that existed in the 2013-15 biennium prior to the dissolution of their WWAMI partnership.

UW MEDICAL SCHOOL - \$2.5 MILLION NEAR GENERAL FUND-STATE

Funding is provided for the continued operation of the WWAMI medical school.

EXPANSION OF PROGRAMS AT WSU EVERETT - \$2.4 MILLION NEAR GENERAL FUND-STATE

Funding is provided for new academic programs start-up and associated enrollment at the University Center of North Puget Sound. These programs include software engineering, sustainable food systems, data analytics, and aviation management.

SAVINGS OR DECREASES

CONTINUE SMALL FINANCIAL AID PROGRAMS POLICY - \$13.5 MILLION NEAR GENERAL FUND-STATE SAVINGS

Financial aid programs that have been suspended since 2011-13 or from 2013-15 are suspended for the 2015-17 biennium. These include the Future Teachers Program, WAVE and WA Scholars, and other small grant programs. Funding for the Aerospace Loan Funds in the program are sufficient to support the self-sustaining program.

CHILD CARE & EARLY LEARNING

INCREASES

EARLY START ACT (2SSB 5452) - \$49.9 MILLION NEAR GENERAL FUND-STATE

The implementation of the Early Achievers, Quality Rating and Improvement System for child care and early learning providers is continued. Pursuant to Second Substitute Senate Bill 5452 comprehensive changes are made to the Early Achievers program and to subsidized child care coverage provisions. Major components of the bill include: (1) mandatory participation for subsidized child care providers in Early Achievers and Quality Rating and Improvement System (\$50.8 million); (2) professional development and other related activities (\$14.4 million); (3) data evaluation, reports and staffing (\$6.3 million); (4) changing to a 90 day gap policy for continued child care coverage (\$3.3 million); and (5) other costs such as a school age pilot, licensing standards, tribal collaboration (\$3.1 million). In addition to the \$49.9 million in new state funds, the program will also be supported by \$28 million in existing federal and state resources.

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM - \$45.5 MILLION NEAR GENERAL FUND-STATE

Additional slots are added to the Early Childhood Education and Assistance program (ECEAP), which provides pre-school and wrap-around services to low-income children. An additional 2,000, 2.5 hour standard ECEAP slots are provided in each fiscal year for a total of 4,000 slots added over the 2015-17 biennium. All new slots are funded at the current rate of \$7,578 per slot per year. This increases the total number of available slots from 10,091 to 12,091 in FY 2016 and 14,091 in FY 2017. To reach the ECEAP entitlement in FY 2019, will require an additional 8,806 slots.

CHILD CARE RATE INCREASE - \$16.7 MILLION NEAR GENERAL FUND-STATE

The interest arbitration award with family home child care providers extends the tiered reimbursement pilot reimbursement rates for fiscal year 2016; increases the base rate by 2 percent on July 1, 2016; increases the rate paid for non-standard child care hours from \$50 per child per hour to \$75 per child per hour with expenditures capped at \$5 million; provides a 2 percent increase in the base hourly rate for Family, Friends and Neighbors (FFN) unlicensed child care providers and an enhanced hourly rate for FFN providers who complete certain training requirements; and other provisions.

HOMEVISITING PROGRAM EXPANSION - \$4 MILLION NEAR GENERAL FUND-STATE

An additional \$4 million is deposited in the Home Visiting Services Account and will leverage a \$2 million private match to expand evidence-based home visiting services. The funding is transferred from Department of Social and Health Services to the Department of Early Learning. Spending on direct services to low-income clients will be counted toward meeting Temporary Assistance to Needy Families, maintenance of effort, requirements. An estimated 640 additional low-income clients will be served. Currently, 8,500 families participate in available home visiting services.

SAVINGS OR DECREASES**WORKING CONNECTIONS CHILD CARE: CHILD SUPPORT ENFORCEMENT - \$8 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Funding is reduced based on the assumption that the Department of Early Learning will require Working Connections Child Care recipients and applicants to seek child support enforcement services from the Department of Social and Health Services (DSHS), Division of Child Support. DSHS may exempt certain recipients, if there is good cause for the client not to cooperate due to domestic violence. This policy is estimated to increase client's income due to receipt of child support. Some clients may opt not to participate.

ELIMINATE CHILD CARE RESOURCE AND REFERRAL - \$1.2 MILLION NEAR GENERAL FUND-STATE SAVINGS

Savings are achieved through the elimination of the child care resources and referrals services contract with Child Care Aware, a non-profit organization.

EMPLOYEE COMPENSATION**INCREASES****PROVIDE TWO \$1,000 PER YEAR WAGE INCREASES FOR ALL STATE AGENCY EMPLOYEES - \$95.8 MILLION NEAR GENERAL FUND-STATE**

The budget assumes the Legislature rejects the current tentative salary related agreements that have been reached between the Governor and the various collective bargaining units. In lieu of funding the percentage amounts in the proposed agreements (which were generally 3 percent in fiscal year 2016 and 1.8 percent in fiscal year 2017), the budget provides sufficient funding to give a \$1,000 annual wage increase beginning July 1, 2015, and another \$1,000 annual increase beginning July 1, 2016, to all full-time state agency employees, with prorated increases for part-time positions.

PROVIDE INCREASES TO ADDRESS RECRUITMENT AND RETENTION CHALLENGES - \$11 MILLION NEAR GENERAL FUND-STATE

A recruitment and retention pool is provided for: (1) \$5.5 million for targeted wage increases for job classes experiencing recruitment and retention challenges; and (2) \$5.5 million for targeted wage increases for classified positions in the Department of Corrections' institutions with a requirement to prioritize increases for lower paid workers.

INCREASE STATE EMPLOYEE HEALTH BENEFITS FUNDING - \$22.3 MILLION NEAR GENERAL FUND-STATE

In addition to the increase of \$190 million in Near General Fund-State provided in maintenance level portion of the budget, \$22.3 million is provided to increase the health benefit funding rates

for state agency and higher education employees consistent with the tentative health benefits coalition collective bargaining agreement for the 2015-17 biennium. Funding rates increase from \$662 in fiscal year 2015 to \$869 in fiscal year 2016 and \$937 in fiscal year 2017. A portion of this amount is reflected in the higher education compensation section of this document.

SAVINGS OR DECREASES

PROVIDE HEALTH BENEFITS COVERAGE TO SPOUSES WITHOUT OTHER EMPLOYER HEALTH BENEFITS COVERAGE OPTION - \$40.2 MILLION NEAR GENERAL FUND-STATE SAVINGS

Savings are achieved by limiting PEBB spousal coverage to spouses who do not have the option of obtaining health benefits through the spouse's employer instead of PEBB.

REDUCE HEALTH INSURANCE PREMIUM SUBSIDIES FOR MEDICARE RETIREES - \$12.4 MILLION NEAR GENERAL FUND-STATE

Savings are achieved by reducing the subsidy provided to Medicare retirees who enroll in PEBB plans from \$150 to \$110 per month.

LOW-INCOME MEDICAL ASSISTANCE

INCREASES

RURAL HEALTH CENTER RECONCILIATIONS - \$1.2 MILLION NEAR GENERAL FUND-STATE

Funding is provided to assist non-hospital based rural health clinics complete the payment reconciliation process for payment years 2010-2013 using the sampling method referred to as the "agreed upon procedures" or AUP. Reimbursement will be based on actual cost to complete the audit for this prior period.

ENHANCED AUTISM SCREENINGS - \$688,000 NEAR GENERAL FUND-STATE, \$734,000 GENERAL FUND-FEDERAL

The American Academy of Pediatrics and the United States Preventative Services Task Force recommends universal developmental and autism screenings for children. Funding is provided to implement the Bright Futures guidelines.

SAVINGS OR DECREASES

HOSPITAL SAFETY NET ASSESSMENT - \$190.1 MILLION NEAR GENERAL FUND-STATE SAVINGS, \$208.5 MILLION GENERAL FUND-FEDERAL, \$334.8 MILLION HOSPITAL SAFETY NET ASSESSMENT FUND

The Hospital Safety Net Assessment (HSNA) program is a funding mechanism that allows assessments to be collected from hospitals. These assessments are used in combination with federal funds for increased payments to hospitals. Under current law, the HSNA will be phased down over the next four years. Funding is provided to eliminate the phase down. Savings are achieved by allowing the state to use Safety Net funds in lieu of the state general fund for Medicaid hospital services. Funding used in lieu of state general funds for Medicaid hospital services is increased. Payments to hospitals are also increased to include \$16.3 million for the family physician residency program and \$4 million for integrated, evidence-based psychiatry residency at the University of Washington Medical Center.

HEALTH BENEFIT EXCHANGE SELF-SUSTAINABILITY - \$29 MILLION HEALTH BENEFIT EXCHANGE ACCOUNT-STATE SAVINGS

The Health Benefit Exchange (HBE) is a public-private partnership that creates an insurance marketplace for Washingtonians that meets the requirements under the Affordable Care Act. No later than October 1, 2015, the HBE shall expand access for Department of Social and Health Services and Health Care Authority to complete applications for Medicaid through the Exchange. The HBE will maximize its use of federal grants that carry over into fiscal year 2016 for operations and design, development and implementation. Beginning with the 2016 open enrollment period, the HBE will no longer complete premium aggregation functions. The HBE will fund its necessary operations using federal grants, Medicaid funds and provider assessments at the level appropriated by the Legislature without reliance on premium taxes generated by qualified health plans. The legislatively established budget for HBE is \$85.9 million for the 2015-17 biennium.

LONG TERM CARE, DEVELOPMENTAL DISABILITIES

INCREASES

HEMOCARE WORKER CONTRACT & AGENCY PARITY - \$115 MILLION NEAR GENERAL FUND-STATE, \$143.8 MILLION OTHER FUNDS

The budget assumes the Legislature rejects the current tentative agreement that has been reached between the governor and the Service Employees International Union healthcare 775NW for the 2015-2017 biennium. Funding for the agreement shall be considered approved if a new agreement can be reached by June 30, 2015 that: (1) does not contain contributions for a retirement benefit; (2) provides that any excise tax for high-cost employer-sponsored health coverage is borne by the insurance plan, is funded within the amounts provided in the agreement for employer contributions for health care coverage, and does not impose any expense or obligation on the state; and (3) does not exceed the funding provided for individual providers of home care services. If a new agreement is reached, funding is also provided for home care agency providers to receive wage and benefit parity with individual home care providers.

ADULT FAMILY HOME VENDOR RATE INCREASE - \$19.8 MILLION NEAR GENERAL FUND-STATE, \$19.8 MILLION OTHER FUNDS

Funding is provided for a 5 percent increase in fiscal year 2016 and a 5 percent increase in fiscal 2017 to the vendor rates of Adult Family Homes pursuant to an interest arbitration award between the Washington State Residential Care Council and the State of Washington. Funding is also provided for a five-year meaningful home-based activities pilot program.

LEAN REDUCTION RESTORATION - \$15.9 MILLION NEAR GENERAL FUND-STATE

The portion of the LEAN savings distributed to the Aging and Long-Term Support and Developmental Disabilities Administrations within the Department of Social and Health Services, is restored.

NURSING HOME RATE CHANGES - \$7.4 MILLION NEAR GENERAL FUND-STATE SAVINGS, \$84.3 MILLION OTHER FUNDS

During fiscal year 2016, the nursing facility payment methodology from fiscal year 2015 remains in place. Beginning July 1, 2016, a simplified methodology for calculating nursing facility rates is implemented. The new methodology consists of rate components for direct care, indirect care, capital, and quality. After the transition to the new payment methodology, providers with costs below the industry median will have sufficient funding to increase staffing ratios or wages for employees. The statewide average daily rate for nursing homes is expected to increase from \$199 in fiscal year 2015 to \$200 in fiscal year 2016 and \$207 in fiscal year 2017.

AREA AGENCIES ON AGING STAFFING RATIO - \$5.2 MILLION NEAR GENERAL FUND-STATE, \$5.2 MILLION OTHER FUNDS

The Area Agencies on Aging provide ongoing case management services for clients receiving personal care and help them find providers for health insurance, transportation, and medical care. Funding is provided to lower the ratio of case carrying staff to clients from 1-to-75 to 1-to70 during the 2015-17 biennium.

YAKIMA VALLEY SCHOOL CRISIS STABILIZATION PROGRAM - \$2 MILLION NEAR GENERAL FUND-STATE, \$2 MILLION OTHER FUNDS

Funding is provided to open an eight bed cottage at Yakima Valley School to support individuals who are developmentally disabled in need of crisis and/or respite services.

ENHANCED AND COMMUNITY RESPITE BEDS - \$1.6 MILLION NEAR GENERAL FUND-STATE, \$1 MILLION OTHER FUNDS

Funding is provided to develop short-term community-based respite service beds across the state for children and adults with developmental disabilities as an alternative to using respite services in an institutional setting. This service is intended to provide families with a break in caregiving, short-term crisis stabilization, behavioral supports, and the ability to develop an individualized service plan to enable individuals to remain in their family homes.

NURSING HOME INVESTIGATIONS - \$1 MILLION NEAR GENERAL FUND-STATE, \$1 MILLION OTHER FUNDS

Funding is provided for additional staff needed to conduct licensing, inspections and an increase in provider practice complaint investigations in nursing homes.

RESIDENTIAL HABILITATION CENTER (RHC) MEDICAID COMPLIANCE - \$1 MILLION NEAR GENERAL FUND-STATE, \$1 MILLION OTHER FUNDS

Funding is provided for specialized services and additional nursing home services required by the Centers for Medicare and Medicaid services as a result of preadmission screening and resident review assessments.

SAVINGS OR DECREASES

BASIC PLUS WAIVER TRANSITION - \$2.8 MILLION GENERAL FUND-STATE SAVINGS

The Department of Social and Health Services Developmental Disabilities Administration (DSHS-DDA) currently provides employment and day support services to approximately 350 individuals using state-only funding. A majority of these individuals are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. Savings are achieved by transitioning eligible state-only employment and day program clients to the Basic Plus waiver to capture allowable funding.

MENTAL HEALTH

INCREASES

EVALUATION AND TREATMENT BEDS - \$42.6 MILLION NEAR GENERAL FUND-STATE, \$18.3 MILLION OTHER FUNDS

Funding is provided for both community hospital and freestanding evaluation and treatment beds to increase and improve timely access to psychiatric evaluation and treatment. Additionally, funding is provided for 30 beds at Western State Hospital.

COMPETENCY EVALUATION AND RESTORATION SERVICES - \$29.8 MILLION NEAR GENERAL FUND STATE

Substitute Senate Bill 5889 provides specific time limits for completion of competency evaluation and restoration services. Funding is provided for competency evaluation staff, community competency evaluations, and staffing to monitor bed capacity and develop community restoration programs. Funding is also provided for 45 competency restoration beds at Western State Hospital and 15 competency restoration beds at Eastern State Hospital. Additional funding is provided under Engrossed Second Substitute Senate Bill 5177 for community resources for non-felony individuals diverted from prosecution.

INVOLUNTARY TREATMENT SERVICES - \$10.9 MILLION NEAR GENERAL FUND STATE, \$6 MILLION OTHER FUNDS

Funding is provided for additional community resources related to involuntary treatment services. This includes funding for Engrossed Second Substitute Senate Bill 5269 and Engrossed Second Substitute Senate Bill 5649. Funding under these bills allows for a family member to petition the court to review decisions to not detain persons for evaluation and treatment under the Involuntary Treatment Act (E2SSB 5269) and for court ordered assisted outpatient treatment (E2SSB 5649).

HOSPITAL SAFETY ENHANCEMENTS - \$7.3 MILLION NEAR GENERAL FUND STATE

Funding is provided to address workplace violence and safety concerns at the state hospitals. This funding is aimed at improving workplace safety, staff retention, and reducing overtime resulting from injuries. This funding is used to expand the number of psychiatric emergency response teams (PERT) at Western State Hospital. A PERT is also created at Eastern State Hospital, and psychiatric intensive care units are created at both state hospitals.

SAVINGS OR DECREASES

WAIVER SAVINGS - \$18.9 MILLION NEAR GENERAL FUND-STATE SAVINGS, \$18.9 MILLION OTHER FUNDS

Funding is adjusted to reflect general fund state savings based on a federal waiver received by the Department of Social and Health Services. This waiver allows federal funding to be used in lieu of general fund state for less costly alternatives to short-term inpatient psychiatric treatment.

MEDICAID RATES - \$16.5 MILLION NEAR GENERAL FUND-STATE SAVINGS, \$16.5 MILLION OTHER FUNDS

Medicaid rates are set within actuarially sound rate ranges. Regional Support Networks capitation rates are reduced to the lower-bound level of the rate ranges to reflect lower spending levels by Regional Support Networks as of December 31, 2014, as well as increased overall funding resulting from Medicaid expansion.

NON-MEDICAID FUNDING - \$13.8 NEAR GENERAL FUND-STATE SAVINGS

Flexible non-Medicaid spending is reduced to reflect lower spending levels by Regional Support Networks (RSNs) as of December 31, 2014. The Senate intends for the RSNs to spend down reserves to acceptable levels.

PROGRAM FOR ADAPTIVE LIVING SKILLS - \$10.4 MILLION NEAR GENERAL FUND-STATE SAVINGS

Non-Medicaid funding is eliminated for the Program for Adaptive Living Skills (PALS) for the Western Regional Support Networks. This program was previously operated through Western State Hospital.

ECONOMIC SERVICES & CHILDREN'S ADMINISTRATION

INCREASES

MEDICAID COST ALLOCATION CHANGES - \$67 MILLION OTHER FUNDS

An estimated funding shortfall of \$75 million other funds occurred when eligibility work for Medicaid was transferred from the Department of Social and Health Services (DSHS) to the Health Care Authority (HCA) with the implementation of the Affordable Care Act. The DSHS is directed to work with the Office of Financial Management and the HCA to streamline eligibility processes associated with Medicaid, cash and food benefits in order to maximize federal funds and improve customer service. Federal spending authority for \$67 million of the estimated funding \$75 million cost allocation shortfall is provided to backfill 90 percent of the estimated shortfall in the 2015-17 biennium.

CHILD WELFARE SETTLEMENT AGREEMENTS - \$16.6 MILLION NEAR GENERAL FUND-STATE; \$4 MILLION OTHER FUNDS

Funding and staffing resources to meet the terms of two child-welfare related settlement agreements. First, \$16.7 million in total funds is provided to increase the basic foster care maintenance rate by an average of \$149 per month to meet the terms of the mediated Foster Parents Association of Washington (FPAWS) agreement. Second, \$5.1 million and 30 staff positions are provided to meet the requirements in the 2011 Braam v. State of Washington Revised Settlement and Exit Agreement.

EXTENDED FOSTER CARE - \$5.0 MILLION NEAR GENERAL FUND-STATE

Funding is provided for Second Substitute Senate Bill 5740 which establishes a new eligibility category for the Extended Foster Care (EFC) program for youth aged 18-21 who cannot participate in any of the required activities due to a documented medical condition. Additional funding is also provided for Chapter 122, Laws of 2014 which expanded EFC to youth who are employed 80 hours or more per month.

BACKFILL ONE-YEAR OF THE FAMILY ASSESSMENT RESPONSE SHORTFALL - \$1.5 MILLION NEAR GENERAL FUND-STATE; \$3.3 MILLION OTHER FUNDS

Increased foster care caseloads have resulted in a shortfall of the Family Reinvestment Account, which provides funding for the Family Assessment Response program. The FAR program will be supported with a one-time transfer of federal Temporary Assistance to Needy Families funding in FY 2016; and a one-time deposit of general-fund state into the Reinvestment Account.

PERFORMANCE BASED CONTRACTING - \$1.4 MILLION NEAR GENERAL FUND-STATE

Chapter 205, Laws of 2012 required the department to enter performance-based contracts for family and support related services. The department is piloting implementation of performance-based contracts in Spokane County in fiscal year 2016.

SAVINGS OR DECREASES

WORKFIRST PROGRAM CHANGES AND FUNDING ADJUSTMENT - \$24.7 MILLION NEAR GENERAL FUND-STATE SAVINGS

Changes to the WorkFirst program include: (1) \$16 million funding adjustment based on balance; (2) \$4 million of the unallocated WorkFirst program balance which will be deposited into the Home Visiting Services Account; (2) \$3 million estimated savings due to a requirement to limit WorkFirst program exemptions; and (4) \$1.7 million Additional Requirements for Emergent Needs is changed back from an annual limit of \$750 per household to \$750 per lifetime.

EXPENDITURE AUTHORITY ADJUSTMENT AND FEDERAL RECOVERIES - \$16.1 MILLION NEAR GENERAL FUND-STATE SAVINGS

Spending authority is aligned with actual expenditures in the diversion cash assistance program and for incapacity exams (\$12.1 million). Higher federal Social Security Insurance (SSI) recoveries (\$4 million) are estimated to further offset state general fund costs in the Aged, Blind and Disabled program.

PARTICIPATION INCENTIVE - \$15.1 MILLION NEAR GENERAL FUND-STATE SAVINGS

The 2014 Supplemental budget included funding for an additional \$55 payment to Temporary Assistance to Needy Families (TANF) households who participate in mandatory WorkFirst activities at least 20 hours per week and meet the requirements of their Individual Responsibility Plans (IRP). Payments were scheduled to begin in the last quarter of fiscal year 2015, however no payments occurred. Funding for this program is eliminated. No clients received this benefit.

STAFFING REDUCTION DUE TO REDUCED WORKLOAD - \$6.3 MILLION NEAR GENERAL FUND-STATE SAVINGS

Funding for 40 staff positions funded in the 2014 supplemental budget are removed. Additionally, funding for 27 staff positions are removed to reflect reduced workload due to lower Temporary Assistance to Needy Families and Aged, Blind and Disabled caseloads.

WASHINGTON TELEPHONE ASSISTANCE PROGRAM AND WIN 211 - \$6.1 MILLION NEAR GENERAL FUND-STATE SAVINGS

Savings are achieved by eliminating the state-funded Washington Telephone Assistance Program (WTAP), associated staffing and the Washington Information Network (WIN 211) contract. WTAP services include subsidized land-line telephone assistance and community voicemail for eligible recipients of many Medicaid and public assistance programs. A federal program, called Lifeline, provides discounts on monthly telephone services, land-lines or wireless, for low-income persons. WIN211 service is a phone number that connects clients provides health and human service information and referrals to community-based resources.

OTHER HUMAN SERVICES

INCREASES

CHEMICAL DEPENDENCY CASELOAD AND RATES - \$13.9 MILLION NEAR GENERAL FUND-STATE, \$96.3 MILLION OTHER FUNDS

In the maintenance level budget, chemical dependency treatment services are: (1) transitioned to a managed care setting; and (2) adjustments are made to funding based on converting to a per member per month model for every person eligible for Medicaid funded services. Most of the caseload impact is related to the increased forecast for newly eligible clients under Medicaid expansion.

PREVENTION SERVICES AND EXPANDED EVIDENCE BASED PRACTICE PROGRAMS - \$4 MILLION NEAR GENERAL FUND-STATE

Funding is provided for the Department of Social and Health Services (DSHS) to expand its current prevention programs in local communities and school-based programs, focusing on the use of marijuana and other drugs. The programs are to be evaluated by the Washington Institute of Public Policy throughout the biennium with the intent to identify programs as evidence-based or research-based within the chemical dependency prevention system. Funding is also provided to collect data on substance use by youth and young adults through ongoing surveys.

MARIJUANA EDUCATION AND PUBLIC HEALTH - \$2.5 MILLION NEAR GENERAL FUND-STATE

Funding is provided to the Department of Health for a media-based education campaign that provides medically and scientifically accurate information about the health and safety risks posed by marijuana use, including support surveillance, assessment and evaluation of the education campaign.

SAVINGS

LEAN REDUCTION - \$15.9 MILLION NEAR GENERAL FUND-STATE SAVINGS

The portion of the LEAN savings distributed to the Aging and Long-Term Support and Developmental Disabilities Administrations within the Department of Social and Health Services, was restored. This reduction will still be achieved in administration and supporting services program of the department through expenditure reductions in other programs and divisions.

ADMINISTRATION COST REDUCTION - \$1.7 MILLION NEAR GENERAL FUND-STATE SAVINGS

Savings are achieved by administrative realignment, efficiencies, and other changes to contractual services in the Department of Health.

CORRECTIONS & OTHER CRIMINAL JUSTICE

INCREASES

CHANGES A FOURTH DRIVING UNDER THE INFLUENCE CONVICTION TO A FELONY - \$3.2 MILLION NEAR GENERAL FUND-STATE COST AND \$1 MILLION REVENUE GENERATED

Funding is provided to implement sentencing changes pursuant to Senate Bill 5105 (Felony DUI). In addition, the legislation implements a \$50 fee on all persons convicted with the revenue going toward grants to organizations within counties to combat driving under the influence of alcohol or drugs.

JUSTICE REINVESTMENT INITIATIVE TO REDUCE RECIDIVISM AMONG PROPERTY OFFENDERS - \$2.5 MILLION NEAR GENERAL FUND-STATE

Funding is provided for sentencing and supervision changes based on the recommendations provided by the Council of State Governments. The changes include modifying the sentencing structure to require all property crime offenders to spend up to 12 months on community supervision. Community supervision includes required programming to reduce recidivism and reduces the need for prison beds.

SAFETY AND SECURITY ENHANCEMENTS FOR COMMUNITY JUVENILE REHABILITATION FACILITIES - \$2 MILLION NEAR GENERAL FUND-STATE

Funding is provided for additional staffing to ensure the safety of staff and youth, during the graveyard shifts at eight community facilities. Previously, a facility might have only had one staff present overnight. This funding ensures there will be at least two staff on site.

TRAINING FOR LAW ENFORCEMENT - \$1.7 MILLION NEAR GENERAL FUND-STATE

Crisis intervention training aimed at supporting law enforcement in understanding resources available and best practices for dealing with individuals with mental health issues is implemented statewide pursuant to Senate Bill 5311 (Crisis Intervention Training). All employed officers will receive training by December 2021. In addition, training is implemented to develop a cadre of trainers to deliver "Guardian" culture training to local law enforcement agencies, when requested.

SAVINGS OR DECREASES

EARNED TIME FOR COMPLIANCE WITH COMMUNITY SUPERVISION TERMS - \$4.6 MILLION NEAR GENERAL FUND-STATE SAVINGS

Currently, offenders serving time on supervision in the community do not earn any time off their sentencing for complying with the terms and participating in the programming. Under this policy, offenders that are showing the ability to meet expectations under their community plan, will get time off the end of their sentence. The savings increases in the 2017-2019 biennium to nearly \$18 million.

CLOSURE OF THE JUVENILE OFFENDER BASIC TRAINING CAMP - \$1.7 MILLION NEAR GENERAL FUND-STATE SAVINGS

The population within the state Juvenile Rehabilitation system continues to decrease and is now one-third the size it was at its peak in 1997. This has increased the risk level of the population still within the program. One of the consequences of the changing population has been a difficulty identifying youth that meet the original criteria for attending the basic training camp. Savings are achieved by closing the facility.

SWIFT AND CERTAIN IN THE PRISON SETTING - \$1.7 MILLION NEAR GENERAL FUND-STATE SAVINGS

The Legislature required the Department of Corrections to implement "swift and certain" sanctioning for community supervision in 2012, providing for immediate and consistent sanctioning for low level infractions. Under the Senate proposal, the same concept is implemented within the prisons. Offenders will receive immediate consequences for improper actions instead of the current policy of taking away time earned off of their release date. The policy change reduces sentence time and is intended to improve offender behavior in prison.

MEDICAID COVERED CHEMICAL DEPENDENCY IN THE COMMUNITY FOR OFFENDERS - \$1.1 MILLION NEAR GENERAL FUND-STATE SAVINGS

Under Medicaid expansion, more individuals leaving state prisons are eligible for Medicaid. Through its offender change programming, the Department of Corrections provides chemical dependency treatment services to offenders identified with a need. Medicaid funds replace state funds for these services when eligible.

NATURAL RESOURCES

INCREASES

VOLUNTARY STEWARDSHIP PROGRAM - \$7.6 MILLION OTHER FUNDS

The Legislature enacted the Voluntary Stewardship Program (VSP) in 2011 as an alternative to the Growth Management Act for agricultural activities. Of the state's 39 counties, 28 opted to participate in VSP. Two counties (Chelan and Thurston) have already received funding. Funding is provided to the State Conservation Commission for the remaining 26 counties.

HAZARDOUS MATERIAL TRANSPORT - \$6.0 MILLION OTHER FUNDS

Funding is provided for grants to emergency responders throughout the state to assist with oil spill and hazardous material response and firefighting equipment to prepare and respond to the risk of spills by rail and marine vessel pursuant to Engrossed Second Substitute Senate Bill 5057 (Hazardous Materials Transport). Authorizes the Utilities and Transportation Commission to provide safety standards for private railroad crossings and to perform hazardous materials inspections.

FORESTS AND FISH ADAPTIVE MANAGEMENT - \$5.9 MILLION NEAR GENERAL FUND-STATE

The Adaptive Management Program is a component of the Department of Natural Resources' Forest Practices and arose out of the 1999 Forest and Fish Report. This program provides science-based recommendations to assist in determining regulations for forest practices. Funding is provided to meet the 2012 legal settlement agreement.

STATE PARKS - \$5 MILLION NEAR GENERAL FUND-STATE

Additional funding is provided for maintenance and operations to assist State Parks in making the park system more self-sustaining.

AGRICULTURAL DAIRY NUTRIENT MANAGEMENT PROGRAM - \$0.6 MILLION OTHER FUNDS

The Department of Agriculture will develop a two year pilot nutrient management training program for farmers that provides training in agronomic application of dairy nutrients.

SAVINGS OR DECREASES**ELIMINATE WATERSHED PLANNING PROGRAM -\$2 MILLION NEAR GENERAL FUND-STATE SAVINGS**

The Department of Ecology's Watershed Planning Program provides technical assistance to local watershed groups to develop plans and address watershed issues. Over 30 watersheds have adopted plans since the program began in 1997. State general funds for this program are eliminated.

REDUCE PAYMENT-IN-LIEU OF TAXES (PILT) TO COUNTIES -\$2.1 MILLION NEAR GENERAL FUND-STATE SAVINGS

The Department of Fish and Wildlife makes payments in lieu of property taxes to counties where the department owns lands. The payments are reduced to the amount paid to each county in 2009.

GENERAL GOVERNMENT & OTHER POLICY CHANGES**INCREASES****I-502 LOCAL GOVERNMENT DISTRIBUTIONS - \$12 MILLION NEAR GENERAL FUND-STATE**

Funding is provided for distribution of marijuana-related revenues to local governments.

OFFICE OF PERFORMANCE MANAGEMENT - \$8.6 MILLION NEAR GENERAL FUND-STATE

Funding is provided for the new Office of Performance Management established in Engrossed Second Substitute Senate Bill 5737. Funding for the Results Washington efforts in the Office of Financial Management is also transferred to the new Office of Performance Management and thereby partially offsets the costs of the new agency.

ENHANCED 911 NETWORK MODERNIZATION - \$5 MILLION-ENHANCED 911 ACCOUNT

The State Enhanced 911 Coordinator's Office will continue to upgrade the 911 telephone network to meet Next Generation 911 technology standards. Funding is provided to grant financial assistance to an estimated 16 counties to replace analog 911 telephone equipment. The current equipment is at the end of its useful life and will be replaced with Next Generation 911 capable telephone equipment.

CHILD PERMANENCY - \$3.3 MILLION NEAR GENERAL FUND-STATE, \$2.0 MILLION OTHER FUNDS

Funding is provided to the Department of Social and Health Services, Attorney General's Office, and Office of Public Defense for an increased workload of cases involving termination of parental rights for dependent children.

CREATING THE OFFICE OF HOMELESS PREVENTION AND PROTECTION PROGRAM - \$434 THOUSAND NEAR GENERAL FUND-STATE, \$433 HOME SECURITY FUND-STATE

Funding is provided to administer the newly created Office of Homeless Prevention and Protection Programs the Department of Commerce. Additionally, a total of \$11.7 million in program funding is transferred from the Department of Social and Health Services to be managed by the Office.

SAVINGS OR DECREASES**LEAN MANAGEMENT PRACTICES - \$48.6 MILLION NEAR GENERAL FUND-STATE SAVINGS**

Pursuant to Engrossed Second Substitute Senate Bill No. 5737 (office of performance management), savings will be achieved by agencies implementing additional lean management practices and other efficiencies steps. The Office of Performance Management will provide coordination and oversight of these activities that are designed to drive efficiencies in state spending and increase productivity of state employees while improving and increasing state services for taxpayers.

SUSPEND CONTRIBUTIONS TO THE LOCAL PUBLIC SAFETY ENHANCEMENT ACCOUNT - \$20 MILLION NEAR GENERAL FUND-STATE SAVINGS

The September 2015 transfer to the Local Public Safety Enhancement Account, half of which is dedicated by statute to increase pension benefits for members of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), and half of which would be allocated to local government employers of LEOFF 2 members is suspended for the 2015-17 biennium.

OTHER CHANGES**INFORMATION TECHNOLOGY (IT) REFORMS**

- Rather than funding information technology projects in each agency, an IT Investment Revolving Account is created. The Office of Financial Management will allocate funds to state agencies for selected projects subject to additional oversight and review by the state chief information officer. (\$25 million-Near General Fund-STATE \$64.7 Other Funds)
- IT functions are combined into a single agency. The Office of the Chief Information Officer and information technology functions of the Department of Enterprise Services are transferred to the reorganized Consolidated Technology Services Agency. (\$2.3 million Savings Other Funds)

CANCER RESEARCH ENDOWMENT (CARE) PROGRAM - \$33.9 MILLION CARE ACCOUNT

The Cancer Research Endowment program is created to fund cancer research in the state. An authority composed of persons nominated by cancer research centers, cancer patient advocacy groups, the life sciences commercial sectors, donors and legislators will distribute research funds for projects recommended by an independent expert scientific review panel. State funds must be matched dollar-for-dollar with private funds. Tobacco use surcharges on public employee health care premiums will be used to generate state funds or achieve state savings from discouraging tobacco use.

APPENDIX A

2015 Session Resource Changes
Fund Transfers, Revenue Legislation & Other Adjustments
(Dollars In Millions)

	<u>2013-15</u>	<u>2015-17</u>
Fund Transfers (to GF-S)		
Public Works Assistance Account	-	200.0
Tobacco Settlement Account	-	51.4
SB 6089 HBE Sustainability	-	29.0
Liquor Excise Tax Distribution	-	24.3
Treasurer's Service Account	-	20.0
Life Sciences Discovery Fund Fund Balance	-	15.9
Criminal Justice Treatment Account	-	11.4
Fire Insurance Premium Tax Sharing	-	9.6
Centennial Document Preservation and Modernization Account	-	7.6
Liquor Revolving Fund	6.0	6.0
SB 5093 Nuclear Education	-	(0.1)
Fund Transfers (to GF-S)	6.0	375.1
 SB 6062 Marijuana Regulation (GF-S and Education Legacy Trust Account)	 29.5	 296.4
 Revenue Legislation (Decreases to GF-S)		
SB 5665 High Tech Research and Development	-	(72.2)
SB 5698 Extends Food Processing	-	(13.2)
SB 5827 Data Center Server Equipment Tax Exemption	-	(12.5)
SSB 5449 Creating Court of Tax Appeals	-	(3.8)
SSB 5112 Manufacturing Sales Tax Deferral - Invest in WA	-	(3.2)
SB 5382 Aluminum Smelters	-	(2.7)
SB 6001 Definition of Newspaper	-	(2.1)
SB 5257 PUT tax for Log Trucks	-	(1.8)
SB 5878 Nonresident Vessels	-	(1.6)
SSB 5324 Aircraft Excise Taxes	-	(0.6)
SB 5564 Juvenile Records & Fines	-	(0.2)
SSB 5042 Veteran Tax Credit	-	(0.2)
SB 5017 Honeybee Preferences	-	-
SB 5575 Converting to Natural Gas-Fired Plants	-	-
SB 6013 Use Tax Exemption for Charitable Prizes	-	-
Revenue Legislation (Decreases to GF-S)	-	(114.2)
 Revenue Legislation (Increases to GF-S)		
SB 5681 Unclaimed Lottery (Opportunity Pathways)	-	15.2
SB 5052 Cannabis Patient Protection	-	13.2
SB 5541 Electronic Commerce	-	8.7
SB 5543 Unclaimed Property	-	1.3
SB 5353 Spirits Marketing	-	0.0
SSB 5708 Non-profit Fairs	-	0.0
Revenue Legislation (Increases to GF-S)	-	38.4
 Budget Driven Revenue & Other Changes		
Liquor Control Board BDR (includes Tobacco Enforcement)	(2.8)	27.0
Lottery Commission Changes (Opportunity Pathways Account)	-	6.0
Lottery BDR (Opportunity Pathways Account)	0.5	8.6
Budget Driven Revenue & Other Changes	(2.4)	41.6
 Total	 33.1	 637.4

2015 Session Resource Changes
Other Revenue Legislation
(Dollars In Millions)

	<u>2013-15</u>	<u>2015-17</u>
Revenue Legislation (Decreases to GF-S)		
SB 5017 Honeybee Preferences	-	-
SB 5575 Converting to Natural Gas-Fired Plants	-	-
SB 6013 Use Tax Exemption for Charitable Prizes	-	-
SB 5127 Vets w/ Disabilities Property Tax	-	-
SSB 5186 Senior Property Tax	-	-
SB 5275 Tax Code Improvements	-	-
SB 5276 Property Tax Refund Errors	-	-
SB 5511 Local Sales Use Tax Changes	-	-
SB 5463 Cultural Heritage Programs	-	-
SB 5542 PUD Privilege Tax	-	-
SB 5761 Industrial and Manufacturing Property Tax	-	-
SB 5280 Sales of Growlers	-	-
2SSB 5799 Flood Control Zone Districts	-	-
SB 5209 HST Exemption	-	-
	-	-

BUDGET DRIVEN REVENUE

INCREASED TOBACCO ENFORCEMENT FOR LIQUOR CONTROL BOARD - \$25,000,000 NEAR GENERAL FUND-STATE INCREASE

The Senate funds 12 enforcement officer for reducing smuggled, contraband or otherwise untaxed cigarette and tobacco products. This funding is expected to increase revenues by \$5,000,000 in fiscal year 2016 and \$20 million in fiscal year 2017.

REVENUE BILLS

HIGH TECHNOLOGY RESEARCH AND DEVELOPMENT - \$72.2 MILLION GENERAL FUND- STATE DECREASE

Senate Bill 5665 (high technology research and development) creates a high technology business and occupation tax credit and a sales and use tax deferral. The credit is capped at \$500,000, per calendar year, per person and expires on January 1, 2025. The deferral is capped at \$1 million per project, per person, per year, not including costs for machinery and equipment, and expires on January 1, 2025. If the project is not operationally complete within ten years, the full amount of the deferral becomes due.

FOOD PROCESSING - \$13.2 MILLION GENERAL FUND- STATE DECREASE

Senate Bill 5698 (fresh fruit, vegetable, seafood product, and dairy product processing) extends the food processing business and occupation tax exemptions for manufacturers and processors of fruit and vegetables, dairy products, and seafood to July 1, 2025.

DATA CENTER SERVER EQUIPMENT - \$12.5 MILLION GENERAL FUND- STATE DECREASE

Substitute Senate Bill 5827 (data center server equipment) provides a sales and use tax exemption for servers and power equipment installed in data centers built after July 1, 2015. Replacement servers are also exempt from the sales and use tax for eight years.

TAX COURT OF APPEALS - \$3.8 MILLION GENERAL FUND- STATE DECREASE

Substitute Senate Bill 5449 (creating a tax court of appeals) repeals the board of tax appeals and creates a tax appeal division within the court of appeals. Provides that the court of appeals may stay payment of disputed assessments if they are \$500,000 or less through June 30, 2019; \$750,000 or less July 1, 2019 through June 30, 2023; \$1 million dollars or less July 1, 2023 through June 30, 2027; and the entire amount July 1, 2027 and thereafter.

MANUFACTURING SALES TAX DEFERRAL INVEST IN WASHINGTON - \$3.2 MILLION GENERAL FUND- STATE DECREASE

Substitute Senate Bill 5112 (Invest in Washington) provides as sales tax deferral of up to \$10 million in construction costs for five new industrial facilities. When the deferred taxes are paid back, they are deposited into the Invest in Washington account for worker training programs.

ALUMINUM SMELTER TAX PREFERENCES - \$3 MILLION GENERAL FUND- STATE DECREASE

Senate Bill 5380 (aluminum smelter tax preferences) extends the tax preferences for the aluminum industry to January 1, 2027.

AMENDING THE DEFINITION OF NEWSPAPER - \$2.1 MILLION GENERAL FUND-STATE DECREASE

Senate Bill 6001 (amending the definition of newspaper) expands the definition of a newspaper to include the online version of a newspaper for tax purposes. This is set to expire July 1, 2020.

REDUCING THE PUBLIC UTILITY TAX FOR LOG TRANSPORTATION BUSINESSES - \$1.8 MILLION GENERAL FUND- STATE DECREASE

Senate Bill 5257 (log transportation businesses) reduces the public utility tax rate from 1.926% to 1.3696% on the hauling of logs over public highways and makes the rate change permanent.

NONRESIDENT VESSELS - \$1.6 MILLION GENERAL FUND- STATE DECREASE

Senate Bill 5878 (nonresident vessels) extends the availability of use permits, for purposes of vessel sales and use taxation, to nonresident business entities, such as corporations, limited liability corporations, and partnerships, that own vessels. The bill limits the permits for nonresident individuals to 20 for a use permit and for nonresident business entities to 20 for a vessel permit that would allow the vessel to remain in Washington for up to six months.

AIRCRAFT EXCISE TAX - \$0.6 MILLION GENERAL FUND- STATE DECREASE

Substitute Senate Bill 5324 (aircraft excise tax) effects the deposits of the aircraft excise tax. Currently 90% of the tax is deposited into the general fund. The bill deposits the entirety of the tax proceeds into the aeronautics account.

JUVENILE RECORDS AND FINES - \$0.2 MILLION GENERAL FUND- STATE DECREASE

Engrossed Second Substitute Senate Bill 5564 (juvenile records and fines) eliminates various legal financial obligations and fees for juveniles.

PROVIDING A TAX CREDIT TO BUSINESSES THAT HIRE VETERANS - \$0.2 MILLION GENERAL FUND- STATE DECREASE

Substitute Senate Bill 5042 (hiring veterans) creates public utility and business and occupation tax credits for businesses that hire unemployed veterans. The credits are equal to 20% of wages and benefits paid up to \$1,500 per full-time position in which the person works for two consecutive calendar quarters. The credit cannot exceed \$500,000 per fiscal year, but may be carried over to the next year. The credits expire June 30, 2023.

DEFINING HONEY BEE PRODUCTS AND SERVICES - NO IMPACT TO GENERAL FUND - STATE

Senate Bill 5017 (honey bees) includes apiarists and honey bee products within the definitions of farmer and agricultural product thereby extending the tax exemptions provided to agricultural products and farmers to apiarists and honey bee products. These exemptions do not expire.

CONVERTING TO NATURAL GAS-FIRED PLANTS - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5575 (conversion to natural gas-fired plants) provides a sales and use tax exemption, in the form of a remittance, for the purpose of constructing or renovating existing electric generation facilities into natural gas-fired electric generation facilities. No remittance may be paid until the construction or conversion of the facility is operationally complete, and not earlier than April 1, 2019. The exemption expires July 1, 2025.

PROVIDING A USE TAX EXEMPTION FOR CHARITABLE ACTIVITIES - NO IMPACT TO GENERAL FUND - STATE

Senate Bill 6013 (charitable activities use tax exemption) provides a use tax exemption to those who purchase or receive as a prize an article of personal property from a nonprofit organization or library for a fundraising activity, regardless of the value of the property. This exemption is permanent.

PROVIDING A FULL PROPERTY TAX EXEMPTION TO QUALIFIED VETERANS - NO IMPACT TO GENERAL FUND - STATE

Second Substitute Senate Bill 5127 (veteran property tax exemption) provides qualified veterans and their surviving spouses or domestic partners an exemption from all regular and excess property tax levies. This exemption does not expire.

INCREASING PROPERTY TAX EXEMPTION THRESHOLDS FOR SENIORS AND PERSONS RETIRED DUE TO DISABILITY - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5186 (increase senior property tax exemption thresholds) increases the threshold amounts of combined disposable income by \$5,000 for seniors and persons retired due to disability. These changes do not expire.

TAX CODE IMPROVEMENTS - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5275 (tax code improvements) makes technical clarifications, updates, and consolidations in the state tax code.

PROPERTY TAX REFUND ERRORS - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5276 (property tax refund errors) allows a county legislative authority to issue a property tax refund going back more than three years after the taxes are due as a result of manifest errors.

LOCAL SALES AND USE TAX CHANGES - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5511 (local sales and use tax changes) reduces the allowable frequency of local sales and use tax changes from four times per year to three times per year.

CULTURAL HERITAGE PROGRAMS - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5463 (cultural heritage programs) allows a county to create a cultural access program and authorizes funding from either a sales tax or a property tax, both of which must be approved by the voters.

PUBLIC UTILITY DISTRICT PRIVILEGE TAX - NO IMPACT TO GENERAL FUND - STATE

Senate Bill 5542 (public utility district privilege tax) modifies the administrative provisions of the public utility district privilege tax.

INDUSTRIAL AND MANUFACTURING PROPERTY TAX - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5761 (industrial and manufacturing property tax) allows a 10 year property tax exemption on the value of new construction of industrial/manufacturing facilities that create family living wage jobs in certain areas.

SALES OF GROWLERS - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5280 (sales of growlers) allows the sale of beer and cider in growlers in certain grocery stores.

FLOOD CONTROL ZONE DISTRICT LEVY PROTECTION - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5779 (flood control zone district) extends the time period during which flood control zone districts located in a county with a population of 775,000 or more, as well as those districts located within the Chehalis River basin, may protect a portion of their levy capacity from general prorationing requirements to January 1, 2023.

SPIRITS MARKETING - NO IMPACT TO GENERAL FUND - STATE

Engrossed Second Substitute Senate Bill 5353 (spirits marketing) allows for several methods of marketing for spirits produced in Washington.

HAZARDOUS SUBSTANCE TAX EXEMPTION - NO IMPACT TO GENERAL FUND - STATE

Substitute Senate Bill 5209 (hazardous substance tax exemption) exempts certain substances from the hazardous substance tax when the products are stored in Washington but subsequently used out of state. This change impacts the Environmental Legacy Stewardship Account.

UNCLAIMED LOTTERY - \$15.2 MILLION GENERAL FUND STATE INCREASE

Senate Bill 5681 (unclaimed lottery) requires that balances in unclaimed lottery prizes in excess of \$10 million be transferred to the Washington Opportunity Pathways Account.

CANNABIS PATIENT PROTECTION - \$13.2 MILLION GENERAL FUND STATE INCREASE

Second Substitute Senate Bill 5052 (cannabis patient protection) makes various policy changes to the medical marijuana industry

ELECTRONIC COMMERCE - \$8.7 MILLION GENERAL FUND STATE INCREASE

Senate Bill 5541 (electronic commerce) does three things: (1) expands the sales and use tax exemption for digital goods is expanded to include digital automated services; (2) expands the sales and use tax exemption for manufacturing machinery and equipment is expanded to include prewritten software that is delivered electronically; and (3) creates a nexus standard

UNCLAIMED PROPERTY - \$1.2 MILLION GENERAL FUND STATE INCREASE

Senate Bill 5543 (unclaimed property) makes several modifications to the administration of the unclaimed property laws.

TAXATION OF CERTAIN NONPROFIT FAIR ASSOCIATIONS - NO GENERAL FUND-STATE IMPACT

Second Substitute Senate Bill 5708 (nonprofit fairs) requires nonprofit fair association purchased between 1995 and 1998 to pay leasehold excise tax on rentals of more than 50 days. The bill takes effect in 2019.

OTHER REVENUE RELATED LEGISLATION

MARIJUANA REGULATIONS - \$296.4 MILLION EDUCATION LEGACY TRUST ACCOUNT AND GENERAL FUND STATE INCREASE

Senate Bill 6062 (marijuana regulations) makes changes to the taxation and distribution of the marijuana excise tax. The marijuana excise tax rate is set at 37% and imposed only at retail and not on producers and processors. The distributions of the tax are \$11.7 million annually to the general fund and \$284.7 million to the education legacy trust account. Local government receives \$6 million of the general fund distribution annually to be distributed by formula.

APPENDIX B

Senate Chair Outlook (March 31)

(Near GF-S & Opportunity Pathways Account, Dollars in Millions)

	FY 2015	2013-15	FY 2016	FY 2017	2015-17	FY 2018	FY 2019	2017-19
Beginning Balance	407.6	156.4	861.0	640.9	861.0	486.7	220.2	486.7
Current Revenues								
Feb 2015 Forecast	17,507.5	34,201.2	18,125.5	18,998.9	37,124.4	19,843.7	20,632.8	40,476.5
Additional Revenue Based on 4.5% Growth Rate Assumption	-	-	-	-	-	10.2	-	124.7
	17,507.5	34,201.2	18,125.5	18,998.9	37,124.4	19,853.9	20,747.3	40,601.2
Other Resource Changes								
Transfer to BSA	(172.8)	(317.3)	(178.9)	(187.5)	(366.4)	(195.9)	(203.5)	(399.4)
BSA Transfer Adjust (Resource Changes)	0.0	0.0	(0.2)	0.1	(0.0)	0.0	(0.1)	(0.1)
Use of BSA	-	-	-	-	-	-	-	-
Extraordinary Revenue	-	-	-	-	-	-	(132.4)	(132.4)
Enacted Fund Transfers (Net)	86.44	151.1	-	-	-	-	-	-
Capital Budget Transfers	138.62	277.2	-	-	-	-	-	-
Prior Period Adjustments	20.40	15.7	20.4	20.4	40.8	20.4	20.4	40.8
CAFR Adjustment	-	(2.9)	-	-	-	-	-	-
Proposed Transfers and Other Resource Changes (Net)	35.47	35.5	201.0	174.1	375.1	142.6	135.3	277.9
SB 6062 Marijuana Regulation	-	-	75.7	220.7	296.4	287.1	333.1	620.2
Other Revenue Legislation Increases	-	-	7.4	31.0	38.4	38.4	43.8	82.1
Other Revenue Legislation Decrease	-	-	(54.9)	(59.2)	(114.2)	(70.4)	(80.9)	(151.3)
Budget Driven Revenue	(2.35)	(2.4)	13.2	28.4	41.6	23.0	23.0	46.0
Total Revenues and Resources (Including Beginning Balance)	18,020.9	34,514.568	19,070.3	19,867.8	38,297.2	20,585.7	21,106.2	41,471.7
Enacted Appropriations	17,220.7	33,794.1	16,573.5	17,220.7	33,794.1			
		-						
Continue FY 2017 Appropriation Level						17,220.7	17,220.7	34,441.3
Adjustments To FY 2017 Baseline						304.0	617.5	921.4
Adjustments to CFL			1,015.2	340.0	1,355.2	347.5	355.3	702.7
Actual/Estimated Reversions	(70.0)	(149.7)	(70.0)	(70.0)	(140.0)	(70.0)	(70.0)	(140.0)
Other Fund Adjustments	-	-	-	-	-	-	-	-
Maintenance Level	(25.7)	(25.7)	1,615.7	2,365.0	3,980.7	2,669.1	3,622.6	6,291.7
Policy Level	35.0	35.0	(704.9)	(474.6)	(1,179.5)	(105.8)	(675.6)	(781.3)
K-3 Class Size	-	-	83.0	267.1	350.2	522.9	588.3	1,111.2
Full Day K	-	-	61.4	126.4	187.7	151.4	158.1	309.5
College Affordability	-	-	38.2	107.7	145.9	111.1	114.6	225.7
Non-Employee CBA/Parity	-	-	50.5	101.0	151.5	101.0	101.0	202.0
State Employee Salary Increase	-	-	37.4	69.4	106.8	69.4	69.4	138.8
Higher Ed Salary Increase	-	-	33.8	67.4	101.2	67.6	67.8	135.3
ECEAP Expansion	-	-	15.2	30.3	45.5	30.3	97.0	127.4
Early Start Act	-	-	14.2	32.4	46.6	34.7	39.3	74.0
Debt Service	-	-	3.6	33.2	36.8	34.7	36.3	71.0
Enhanced Mental Health Services	-	-	39.2	36.1	75.3	34.9	34.9	69.7
State Employee PEBB Rate	-	-	15.7	32.1	47.7	32.1	32.1	64.2
Children's/Economic Svcs	11.2	11.2	6.2	10.7	16.9	10.9	11.1	22.0
K-12 Highly Capable	-	-	7.0	8.9	16.0	9.1	9.4	18.5
K-12 Education	0.1	0.1	4.5	7.1	11.6	7.6	7.6	15.2
Dept of Early Learning	-	-	1.6	4.4	6.0	4.4	4.4	8.9
Felony DUI	-	-	0.6	2.6	3.2	4.0	4.5	8.5
Higher Education	-	-	8.8	8.7	17.4	5.4	5.4	10.9
Justice Reinvestment Initiative	-	-	0.9	1.6	2.5	2.2	2.5	4.6
Low Income Health Care	1.1	1.1	2.4	2.0	4.4	0.8	0.9	1.7
Hi Ed -- College Bound	(1.8)	(1.8)	-	-	-	-	-	-
Information Technology Pool	-	-	12.5	12.5	25.0	-	-	-
Opp Scholarship	-	-	20.0	2.0	22.0	-	-	-
Lean	(0.1)	(0.1)	(22.6)	(26.0)	(48.6)	(26.0)	(26.0)	(52.1)
Initiative 1351 Class Size	-	-	(893.0)	(1,149.7)	(2,042.7)	(993.5)	(1,761.8)	(2,755.3)
Hospital Safety Net	-	-	(85.1)	(105.1)	(190.1)	(110.0)	(110.0)	(220.0)
K-12 Staff Mix Adjustment	-	-	(10.5)	(27.6)	(38.0)	(47.6)	(52.1)	(99.7)
WorkFirst	-	-	(30.2)	(32.7)	(62.9)	(33.4)	(33.7)	(67.0)
PEBB Coverage of Spouses	-	-	(12.5)	(27.7)	(40.2)	(28.0)	(28.0)	(56.0)
Public Safety Enhancement Account	-	-	(20.0)	-	(20.0)	(50.0)	-	(50.0)
PEBB Experience Savings	-	-	(20.7)	(4.7)	(25.5)	(12.2)	(12.3)	(24.5)
Mental Health/Dev. Disabilities/Long Term Care	18.8	18.8	(29.8)	(17.2)	(47.0)	(18.1)	(18.7)	(36.8)
Earned Time on Supervision	-	-	(0.5)	(4.4)	(4.9)	(8.8)	(10.1)	(18.9)
Corrections/JRA/SCC	4.0	4.0	(0.5)	(2.1)	(2.6)	(5.1)	(5.1)	(10.2)
Local Effort Assistance	-	-	(9.2)	(11.2)	(20.3)	(4.0)	1.3	(2.7)
All Other	1.8	1.8	(22.7)	(20.0)	(42.7)	6.2	6.2	12.4
Hepatitis C Treatment	-	-	(0.6)	(1.0)	(1.6)	(1.0)	(1.0)	(2.0)
Medicare Retiree Subsidy	-	-	(3.7)	(8.8)	(12.5)	(8.8)	(8.8)	(17.6)
					-			-
Revised Appropriations	17,159.9	33,653.6	18,429.4	19,381.1	37,810.5	20,365.5	21,070.4	41,435.9
Projected Unrestricted Ending Balance	860.98	861.0	640.9	486.7	486.7	220.2	35.8	35.8
Ending Fund Balance (1% of biennial spending)								
Total (with ending fund balance)	861.0	861.0	640.9	486.7	486.7	220.2	35.8	35.8
Budget Stabilization Account								
Beginning Balance	414.6	269.7	511.4	692.1	511.4	891.2	1,116.0	891.2
Transfer From GFS	172.8	317.3	178.9	187.5	366.4	195.9	203.5	399.4
Additional Transfer From GFS	(0.0)	(0.0)	0.2	(0.1)	0.0	(0.0)	0.1	0.1
Extraordinary Revenue	-	-	-	-	-	-	132.4	132.4
Transfer to GFS	-	-	-	-	-	-	-	-
Appropriations from BSA	(77.2)	(77.2)	-	-	-	-	-	-
Interest Earnings	1.2	1.7	1.7	11.6	13.3	29.0	39.1	68.0
Ending BSA Balance	511.4	511.4	692.1	891.2	891.2	1,116.0	1,491.1	1,491.1
Combined Near GF-S Total & BSA Ending Balance	1,372.4	1,372.4	1,333.0	1,377.9	1,377.9	1,336.3	1,526.9	1,526.9

APPENDIX C

2015-17 Omnibus Operating Budget
Senate Chair Proposed
NGF-S + Opportunity Pathways
(Dollars in Thousands)

<i>K-12 & State Employee Compensation</i>	
Higher Education Compensation Increases	116,981
General Govt Compensation Increases	113,285
All Other Increases	13
Reduce Medicare Retiree subsidy	-12,485
Limit PEBB spouse coverage	-40,239
	<hr/>
K-12 & State Employee Compensation	177,555
Total	
 <i>Initiative 1351</i>	
Initiative 1351 Class Size	-2,042,726
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Initiative 1351 Total	-2,042,726
 <i>K-12 Education</i>	
Reduce Early Elementary Class Size	350,171
Expand Full-Day Kindergarten	187,716
Highly Capable	15,957
All Other Increases	7,808
School Turnaround Programs	3,225
Kindergarten Readiness WaKIDS	2,871
Regional School Safety	1,866
Paraeducator Development	1,659
All Other Savings	-734
Local Effort Assistance	-20,319
Staff Mix (Tied to Other Items)	-38,049
	<hr/>
K-12 Education Total	512,171
 <i>Higher Education Institutions</i>	
College Affordability Program	220,626
STEM Enrollments and Graduation	20,000
All Other Increases	2,952
Medical Education	2,500
WSU Medical School	2,500
	<hr/>
Higher Education Institutions Total	248,578
 <i>Higher Education Financial Aid</i>	
Opportunity Scholarship	22,000
Aerospace Loan Funds	-2,000
Suspend Selected Programs	-11,454
College Affordability Program	-74,682
	<hr/>
Higher Education Financial Aid Total	-66,136
 <i>Early Learning & Child Care</i>	
Early Start Act	51,045
ECEAP	45,470
CBA: Family Child Care Providers	10,287
Child Care Centers	6,362

2015-17 Omnibus Operating Budget
Senate Chair Proposed
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Home Visiting	4,000
Working Connections Eligibility	3,362
All Other Increases	300
All Other Savings	-31
Elim Child Care Resource & Referral	-1,276
WCCC Child Support Enforcement	-8,052
Early Learning & Child Care Total	111,467
Health Care	
All Other Increases	8,365
Education Campaigns/I-502	2,450
Rural Health Center Reconciliation	1,175
Language Access Providers (Incl. CBA)	568
All Other Savings	-1,700
Shift Program to Other Funds	-7,925
Hospital Safety Net	-190,140
Health Care Total	-187,207
Mental Health	
Single Bed Certification	35,069
Community Restoration Ward	23,070
Civil Ward at Western State Hospital	7,578
Assisted Outpatient Treatment	5,738
Detention Decision Review	5,141
Psychiatric Intensive Care Unit	3,782
Competency Evaluation Staff	3,504
Psychiatric Emergency Response Team	3,497
Nonfelony Diversion	2,788
All Other Increases	2,014
SCC: Increases	868
All Other Savings	-1,200
SCC: Savings	-3,661
Program For Adaptive Living Skills	-10,400
Non Medicaid Funding	-13,759
Medicaid Rates	-16,462
IMD Waiver	-18,860
Mental Health Total	28,707
Long Term Care & DD	
CBA: Home Care Workers (With Parity)	115,052
CBA: Adult Family Homes	19,796
LEAN Reduction Restoration	15,980
Vendor: Area Agencies on Aging	5,228
All Other Increases	2,989
YVS Crisis Stabilization Program	2,000
Enhanced Respite Services	1,618
RHC Medicaid Compliance	1,034
Long Term Care Ombuds Expansion	350
Vendor: Community Resid. Rates	186

2015-17 Omnibus Operating Budget
Senate Chair Proposed
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Enhanced Services Facility	-1,137
Basic Plus Waiver Transition	-2,800
ProviderOne	-3,221
Vendor: Nursing Home Rates	-7,360
Long Term Care & DD Total	149,715
<i>Corrections and Other Criminal Justice</i>	
DOC: Violators	3,420
Felony DUI	3,241
DOC: Justice Reinvestment	2,468
JRA: Facility Safety & Security	2,026
Crisis Intervention Training	1,239
Internet Crimes Against Children	858
All Other Increases	726
JRA: All Other Increases	604
State Drug Task Forces	-1,275
All Other Savings	-1,470
DOC: Swift & Certain Sanctions	-1,656
JRA: Juvenile Offender Basic Train Camp	-1,691
DOC: All Other Savings	-3,275
DOC: Earned Time/Enhancements	-4,922
Corrections and Other Criminal Justice Total	293
<i>Other Human Services</i>	
FPAWS Litigation	12,529
All Other Increases	6,557
Extended Foster Care	5,020
Braam Compliance	4,106
Substance Abuse Prev & Treatment/I-502	3,000
Child Permanency	1,941
Family Assessment Response Shortfall	1,584
Emergent Need (AREN)	-1,726
Shift Program to Other Funds	-1,900
Increased Federal Recoveries	-4,000
Telephone Assistance (WaTAP)	-4,068
ESA Staffing Reduction	-4,351
All Other Savings	-4,435
TANF - Participation Incentive	-15,091
LEAN Reduction	-15,980
Econ Svcs: Underspending & Other Savings	-17,054
WorkFirst Fund Balance	-20,000
Other Human Services Total	-53,868
<i>Natural Resources</i>	
Forests & Fish Adaptive Management	5,894
Parks: Maintain/Improve Services	5,000
All Other Increases	2,190
Teaway Community Forest	282

2015-17 Omnibus Operating Budget
Senate Chair Proposed
NGF-S + Opportunity Pathways
(Dollars in Thousands)

DOE: All Other Increases	183
DOE: All Other Savings	-832
DOE: Watershed Planning	-2,014
PILT Payments	-2,073
All Other Savings	-3,277
Shift Program to Other Funds	-21,668
Natural Resources Total	-16,315
<i>All Other Policy Changes</i>	
Debt Service on New Projects	36,822
Information Technology Pool	25,000
All Other Increases	17,152
LCB: Marijuana Regulation	13,817
Local Government Distribution/I-502	12,000
Office of Performance Management	8,627
Parents Representation	4,281
Replace HAVA Funds with GFS	3,170
AOC: Other Increases	575
Central Service Rates	-615
Land Use Planning/Permitting	-2,500
Pacific Tower Adjustment	-7,558
OFM Centralized Services	-7,950
Fire Contingency	-8,000
Judicial Reductions	-9,451
All Other Savings	-13,844
Local Public Safety Enhancement	-20,000
Shift Program to Other Funds	-43,620
LEAN Management Practices	-48,627
Other	-1,000
All Other Policy Changes Total	-41,721
Grand Total	-1,179,487